

NCA
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PROMOTING U.S. PRODUCTIVITY

ANNCR:

WITH THE U.S. INFLATION RATE NOW AT A RELATIVELY HIGH RATE, THERE IS INCREASING EMPHASIS ON BOOSTING PRODUCTIVITY IN THE NATIONAL ECONOMY. VOA BUSINESS AND ECONOMICS EDITOR FRANK FEINBERG HAS THIS BACKGROUND REPORT:

VOICE:

PRODUCTIVITY BASICALLY IS AN INDIVIDUAL'S OUTPUT DURING A GIVEN WORK PERIOD. AND FOR TWENTY-YEARS -- BEGINNING IN 1946 -- AMERICAN INDUSTRY AND FARMS REGISTERED PRODUCTIVITY GAINS AVERAGING ABOUT THREE POINT TWO PER CENT A YEAR. THIS WAS RATED AS AN IMPRESSIVE PERFORMANCE.

HOWEVER, OVER THE PAST DECADE U.S. PRODUCTIVITY HAS LAGGED, AND TAKEN TOGETHER WITH THE INEXORABLE RISE IN WAGES, LAGGING PRODUCTIVITY HAS CONTRIBUTED TO HIGHER PRODUCTION COSTS, AND INEVITABLY, TO HIGHER PRICES.

WHAT HAS CAUSED THE PRODUCTIVITY SAG, AND WHAT CAN BE DONE TO BOOST PRODUCTIVITY -- WHICH IN TURN WOULD HELP REDUCE INFLATIONARY PRESSURES? EXPERTS CITE SEVERAL FACTORS FOR THE DECLINE. THEY INCLUDE SHARPLY HIGHER ENERGY COSTS, INCREASED NUMBERS OF WOMEN AND OTHER RELATIVELY INEXPERIENCED WORKERS IN THE U.S. LABOR FORCE, INCREASED GOVERNMENT REGULATIONS ON BUSINESS, NOT ENOUGH MONEY INVESTED IN NEW PLANT AND EQUIPMENT AND A LAG IN RESEARCH AND DEVELOPMENT.

BOTH THE CARTER ADMINISTRATION AND PRIVATE GROUPS HAVE FOCUSED ON THE PROBLEM. THE AMERICAN PRODUCTIVITY CENTER, WHICH IS FINANCED BY INDUSTRY, HAS DEVELOPED NEW WAYS TO MEASURE PRODUCTIVITY. THE CENTER, LOCATED IN HOUSTON, ALSO COMPARES

PRODUCTIVITY WITHIN AND BETWEEN INDUSTRIES, SO THAT AN INDIVIDUAL FIRM'S SUCCESS IN RAISING PRODUCTIVITY CAN BE ADOPTED BY OTHERS.

THE PRODUCTIVITY ISSUE IS UNDER REVIEW BY THE CARTER ADMINISTRATION. IF THE UNITED STATES BOLSTERS ITS PRODUCTIVITY GAINS, IT WOULD HELP TO REDUCE DOMESTIC INFLATIONARY PRESSURES, AND STRENGTHEN THE NATION'S EXPORT SALES. AMONG SUGGESTIONS HAVE BEEN THE ELIMINATION OF UNNECESSARY REGULATIONS THAT HAMPER BUSINESS, AND MORE TAX CREDITS TO ENCOURAGE THE INTRODUCTION OF MACHINERY AND SYSTEMS TO STIMULATE PRODUCTIVITY.

BOTH GOVERNMENT AND INDUSTRY RECOGNIZE THAT MUCH MORE MUST BE DONE TO PROMOTE U.S. PRODUCTIVITY, FOR PRODUCTIVITY IS A PRIME FACTOR IN MAINTAINING BOTH NATIONAL ECONOMIC HEALTH AND HIGH LIVING STANDARDS.

JS/RCS